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5 DEC 1968

DDS&T-4643-68

MEMORANDUM FOR: Planning Officer - Office of ELINT
 Office of Computer Services
 Office of Special Activities
 Office of Special Projects
 Office of Scientific Intelligence
 Office of Research and Development
 Office of Foreign Missile and Space
 Analysis Center

SUBJECT: Planning and Programming Bulletin #2

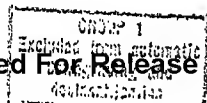
1. The answers to questions asked at the initial Planning meeting on 27 November 1968 are provided below, insofar as they can be determined. Whenever it is pertinent, the numbered section of the guidance booklet to which the paragraph applies is indicated. It probably would be wise to copy each paragraph which contains information on a given section and insert it in that section of your guidance booklet.

2. Section 4, Project Outline Format

How do we show personnel cost increases?

There seems to be some misunderstanding on how to handle positions (authorized strength), funding based upon average employment, and the 1% per annum increase in personnel funding to cover promotions, step increases, etc. (We realize 1% is insufficient for this purpose, but we are stuck with this limitation and must adhere to it.) Positions must be reported as the number your Office will be authorized for a given year. If, however, you request or expect a personnel increase in a given year, it is assumed that the people to be hired will not be on board for the entire year. The cost of each position increase is figured at $\frac{1}{2}$ the total salary amount for the first year in which a new position is authorized and at full salary for each succeeding year. Thus if your average salary was \$10,000 per year, your array might look like this:

FY68	FY69	FY70	FY71	FY72	FY73	FY74	FY75
P \$	P \$	P \$	P \$	P \$	P \$	P \$	P \$
10 100K	11 105K	11 110K	12 115K	12 120K	13 125K	13 130K	13 130K



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a. Then if you are to add 1% to years FY71 through FY75, we would multiply FY70 by 1.01 to get FY71 personnel costs, the FY71 amount by 1.01 for FY72 and so forth--compounding this interest as you go along.
Example:

$$\begin{array}{l} \text{FY70 x multiplier + new position = FY71 x multiplier + new position = FY72} \\ \quad \quad \quad (\text{A.E.}) \quad \quad \quad \quad \quad \quad \quad \quad \quad \quad \quad \quad (\text{A.E.}) \\ 110 \times 1.01 + 5 = 116.1 \times 1.01 + 5 = 122.26 \end{array}$$

b. These position and funding figures should be worked out with your Budget Officer. He is used to working with AE and incremental increases.

3. The Summary of Fund and Position Requirements forms to be used in the FY71 through FY75 CPC are virtually the same as those used last year. A small supply of the forms applicable to your Office is attached. The supply is very limited and we suggest you Xerox copies if more are needed for scratch sheets.

4. In our last Planning meeting it was suggested that the Office submission start each project in Program Plans on a new sheet of paper. We have no objection to this being done in the draft submission. By the time the final Program is ready for typing, this will not be necessary except where two or more Offices have projects in the same element. This will be dealt with on an individual basis when we are ready for the final typing.

5. The non-Agency funded portion of the CPC, as submitted by OSA, OSP, OEL, and ORD, will require the use of figures contained in the recently submitted budget. Since this budget only ran through FY74, it will be necessary for your Office to estimate its needs in FY75. Last year's CPC was far too lengthy in the non-Agency funded section, and this year's submission should condense this information. This is especially

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true in OEL's report where the non-Agency categories were spelled out in detail last year. It will suffice to summarize each of the categories in the current exercise. When possible, the same format employed in the Agency-funded portion of the CPC should be used.

6. Section 4, Project Outline Format

How do we list contract employees?

OPP has concurred in our proposal to list positions in only two lines so that we include all positions; staff, contract, WAE, etc. Under Resources Required in the Program Plan where it now states Staff, we will change to Ceiling. Where it states Contract, we will use Non-ceiling. Ceiling positions are those for which we have authorization to employ people. Non-ceiling positions include consultants, temporary, part-time, contract, WAE, and indigenous personnel. The latter group is not included in ceiling authorizations and will not be included in the total number of positions in the summary sheets. The number of positions shown in the summary sheets will be ceiling positions. Under Resources Required, the Personal Services line will include funds to pay for all employees.

7. Section 4, Project Outline Format

Do we show funding changes for FY69?

We must include all increases to the FY69 budget base. So far, this applies only to OSA for their funding increase.

8. Section 4, Project Outline Format

Given that we start with the premise that FY71 totals should not exceed FY70 totals, what guidelines can we use for succeeding years?

We can use cost-of-doing-business increases each year after FY70, provided we apply this rule to business-as-usual items. Strictly

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for DDS&T internal use, we should use 3-5% increases as guidelines. Significant increases for specific purposes such as new projects, greatly expanded projects, and accelerated programs are specifically exempted from this guideline. These latter projects have to be justified on their own.

9. Can we use contractor studies in lieu of in-house studies?

In general, contractor studies may be used in whole or in part, providing they answer the questions asked by OPPB or BOB. It is unlikely, however, that any contractor study will be specifically addressed to the special study requirements when we get them. It will probably be more logical to use contractor studies to support in-house studies.

10. Section 4, Project Outline Format

How do we accommodate possible FY1970 increases over the present budget?

Until we get information to the contrary, the resource levels in the FY1970 budget must remain as they are. Increases proposed for FY1970 may be included and justified in the FY1971 Program with the caveat that the increases are required in FY1970. Specific reference should be made to the need to get FY1970 ceiling relief for positions and reserve release for funds. Please recognize that even the most crucial requirements for FY1970 increases face almost impossible odds. It would be well to consider temporary reallocation of resources for FY1970 and make your case for FY1971.

11. No Target Area Distribution information is available yet. We understand that the forms will be different this year and that inputs will be made for each Office for fiscal years 1969, 1970, and 1971. OPPB hopes to have the forms from NIPE in about two weeks.

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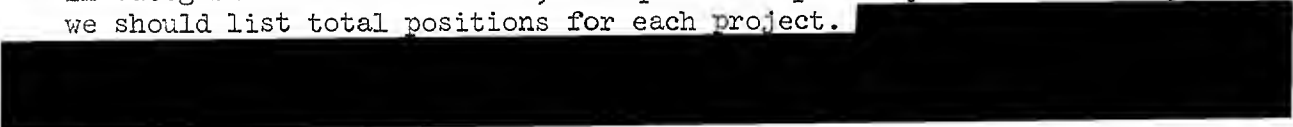
12. Section 4, Project Outline Format

Which projects do we use--the ones in the budget or the ones which the R&D coordinator selected last year?

OPPB has agreed that we should plan FY1971 - 1975 projects based on the projects and project resource levels as they appear in the CIS and in the latest budget. Any doubts will be resolved in favor of the presentation in the latest budget. The time to make program structure changes is immediately before the next Program Call.

13. Section 4, Project Outline Format

Very often projects will share personnel, particularly clerical positions. Bearing in mind that we must show all possible resource detail for each project, we still do not want to show so-called fractional positions. Especially in the case of RD&E, where personnel are totaled under Management Support for each sub-category, we may list only professional positions in the outline of each project. In the Management Support entry we will total all professional and clerical positions and explain that the total includes clerical and support positions which may be shared by two or more projects and that they are not shown under any single project. In categories other than RD&E, the questions probably will not arise, so we should list total positions for each project. 25X1D



14. Note that page one of the Program Call booklet calls for Part I of the program submissions to include Progress, Objectives, and Program Plans. The Table of Contents in the guidance booklet (essentially the same as last year) separates Progress and Program Plans, and the Project Outline Format includes objectives under each project. The use of our format shown in the Table of Contents and the Project Outline Format has been coordinated with O/PPB.

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